

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	:	21 MC 101 (AKH)
	:	
IN RE SEPTEMBER 11 PROPERTY DAMAGE	:	This document also relates to:
AND BUSINESS LOSS LITIGATION	:	
	:	08 CIV 3719
	:	08 CIV 3722
-----X		

**DECLARATION OF KEITH E. HARRIS, ESQ.**

KEITH E. HARRIS, ESQ. declares, pursuant to 28 U.S.C. § 1746, as follows:

1. I am a member of the Bar of this Court and am Chief of the Commercial Litigation Division of The Port Authority of New York and New Jersey ("PANYNJ").

2. PANYNJ is a plaintiff in this action seeking damages arising out of, resulting from and relating to the terrorist related aircraft crashes of September 11, 2001.

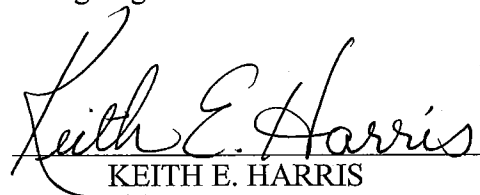
3. As of July 16, 2001, PANYNJ leased 1, 2, 4 and 5 (now know as 3) World Trade Center to 1 World Trade Center LLC, 2 World Trade Center LLC, 4 World Trade Center LLC and 5 World Trade Center LLC (now known as 3 World Trade Center LLC) (collectively, "WTCP").

4. WTCP is building replacement buildings for the buildings at 1, 2, 4 and 5 World Trade Center that were destroyed on September 11, 2001.

5. As reflected in PANYNJ's sworn February 13, 2007 Damage Disclosure and sworn February 10, 2006 Preliminary Proof of Losses (attached hereto), PANYNJ is not presently seeking damages from the Aviation Defendants in this action or recovery from its insurers for the cost of replacing 1, 2, 4 and 5 WTC so long as WTCP continues to comply with its contractual obligations to the PANYNJ.

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: August 11, 2008

  
KEITH E. HARRIS

## **EXHIBIT 31**

**CROSS-CLAIM PLAINTIFF'S DAMAGE DISCLOSURE:****Litigation Docket No.:**911 Litigation Docket No. 21 MC 97  
(AKH)**Plaintiff(s) Name:**

Port Authority of New York and New Jersey

**Loss Locations:** Various**Litigation Damages Claim\***

Property Insurer Names: Ace USA, Inc., Allianz Ins. Co., Caliber One Indemnity, Chubb (Federal Ins. Co.), Essex Ins. Co., Lexington (Nichido Fire & Marine), Lloyds and European Carriers (various), Royal Indemnity Co., Scor Reinsurance Co., Swiss Reinsurance Co., TIG Ins. Co., U.S. Fire Insurance Co., Zurich-American Ins. Co.

**\$2,739,992,000**

**Total Insurance Claims Submitted Through:** The Port Authority claim has not been fully adjusted

\* Based on Preliminary Proof of Losses (PPOL), dated February 10, 2006. This PPOL is subject to revision and includes items of loss for which amounts are yet to be determined.

**Total Insurance Claim Payments Through:** \$950 million in advance payments without allocation (See Insurance Claim Status below).

**Insurance Claim Payment Breakdown:**

<u>Payment Category</u>	<u>Payment Amount</u>
• Advance	\$50 million
• Advance	\$300 million
• Advance	\$300 million
• Advance	\$150 million
• Advance	<u>\$150million</u>

**Insurance Claim Status:** Certain declaratory judgment actions and motions to intervene have been filed in the United States District Court of the Southern District of New York. These actions have been consolidated by the Court and are pending. Preliminary Proof of Losses, subject to revision, dated February 10, 2006.

**Physical Damage:** See Below

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PROTECTIVE ORDER IN RE  
SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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**Description of Business/Nature of Loss:**

Bi-state agency providing transportation, terminal and other facilities of commerce within the Port District. Facilities include John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro airports; the George Washington Bridge; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH (Port Authority Trans-Hudson) rapid-transit system; the Port Authority-Downtown Manhattan Heliport; Port Newark; the Elizabeth-Port Authority Marine Terminal; the Howland Hook Marine Terminal on Staten Island; the Brooklyn Piers/Red Hook Container Terminal; and the Port Authority Bus Terminal in midtown Manhattan. The agency also owns the 16-acre World Trade Center site in Lower Manhattan.

Losses in connection with the events of 9/11/01 include, but are not limited to destruction/damage to property at the World Trade Center and PATH system, as well as loss of revenue and business interruption/extra expense at various locations. As noted above, Preliminary Proof of Losses is subject to revision and includes items of loss for which amounts are yet to be determined.

**Affidavit**

As an employee representative of the company identified above, I certify that to the best of my knowledge the foregoing information is true and correct.

Printed Name: Iran H. Engel

Signature: *Iran H. Engel*

Title: Assistant Treasurer

Date: February 13, 2007

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SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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## **EXHIBIT 32**

**SWORN STATEMENT - PRELIMINARY PROOF OF LOSSES**

(subject to revision)

\$1,500,000,000 each

occurrenceAMOUNT OF POLICY AT TIME OF  
LOSSESJune 1, 2001 - June 1, 2002POLICY PERIODVarious  
POLICY NUMBERWillis of New York, Inc.  
7 Hanover Square  
New York, NY 10004BROKER

To the participating insurers on the annexed Schedule A:

At the time of the losses, by the above-indicated policies of insurance, you insured the Port Authority of New York and New Jersey ("The Port Authority") and/or its affiliated, subsidiary, allied and associated companies and/or joint ventures and/or any owned (wholly or partially) or controlled company(ies) (the "Insured") as listed on the attached Notice of Loss annexed as Schedule A against the losses described according to the terms and conditions of said Policies and all forms, endorsements, transfers and assignments attached thereto.

1. **Time and Origin:** See Schedule A.
2. **Occupancy:** See Schedule A.
3. **Title and Interest:** The Port Authority is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. In general, the purpose of the States of New York and New Jersey in establishing the Port Authority was to provide transportation, terminal and other facilities of commerce with the Port District. Port Authority facilities include John F. Kennedy International, Newark Liberty International, LaGuardia and Teterboro airports; AirTrain JFK and AirTrain Newark; the George Washington Bridge and Bus Station; the Lincoln and Holland tunnels; the three bridges between Staten Island and New Jersey; the PATH (Port Authority Trans-Hudson) rapid-transit system; the Port Authority-Downtown Manhattan Heliport; Port Newark; the Elizabeth-Port Authority Marine Terminal; the Howland Hook Marine Terminal on Staten Island; the Brooklyn Piers/Red Hook Container Terminal; and the Port Authority Bus Terminal in midtown Manhattan. The Port Authority was, at the time of the loss, and is currently also the owner in fee simple title to 1 World Trade Center, 2 World Trade Center, 4 World Trade Center, 5 World Trade Center, the Mall at World Trade Center and 7 World Trade Center. In addition, the Port Authority was, and currently is the landlord under these leases. Each of these leases requires the lessees to maintain property damage and business interruption insurance.
4. **Changes:** Since the said Policies were issued there has been no assignment thereof by the Insured.

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PROTECTIVE ORDER IN RE  
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5. **Amounts Claimed:** This is a preliminary proof of loss, with respect to the coverage provided by the Insurers. The total value of the losses as set forth on Schedule B ("Preliminary Proof of Losses") is \$2,739,992,000. The Preliminary Proof of Losses is subject to revision as additional information with respect to the losses is available.

6. **Insureds' Warranty:** The Port Authority warrants that our losses specified herein have been put forward in good faith and that we know of no reason, fact or matter that would entitle the Insurers to avoid the Policies or establish a valid defense to the claim arising out of their losses.

7. **Mutual Non-Waiver:** Nothing contained in this Preliminary Proof of Losses shall vary any of the rights or obligations of the Insured or the Insurers under the Policies, and the filing of this Preliminary Proof of Losses and the payment of any amounts by the Insurers thereon shall be without prejudice to the rights of the Insured or the Insurers under the Policies.

"Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information, concerning any fact material thereto, commits a fraudulent insurance act, which is a crime."

The Port Authority of New York

and New Jersey, Insured

State of New York

County of New York

By: Sean Engel  
Name: SEAN ENGEL  
Title: ASSISTANT TREASURER

Subscribed and sworn to before me this 10<sup>th</sup> day of February 2006

Arthur S. Delipian Notary Public

**ARTHUR S. DELIPIAN**  
Notary Public, State of New York  
Registration No. 61CA4864007  
Qualified in Westchester County  
Commission Expires July 31, 2009

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PROTECTIVE ORDER IN RE  
SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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## **Schedule A**

SUBJECT TO CONFIDENTIALITY  
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21 MC 97(AKH) (S.D.N.Y.)  
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WILLIS OF NEW YORK  
7 HANOVER SQUARE, NEW YORK, NY 10004  
Telephone 212-344-8888  
Fax 212-804-0580

NOTICE OF LOSS

To: *Interested Companies* Date: *9/26/01*  
Insured: *The Port Authority of New York & New Jersey*  
Loss Locations: *Various*  
Date of Loss: *9/11/01* Nature: *Physical Damage, Loss  
Of Revenue and Civil Authority*  
Policy Number: *See Schedule Attached* Term: *6/1/2001 - 2002*  
Amount/Policy: *100%* Insurance: *100%*  
Coverage: *All Risk Real and Personal Property, EE, and BI*

Loss information

Estimate      Gross      Deductible      Net

Property

B.I.

\$5,000,000.00 combined per occurrence

Contact for Inspection

Remarks:

We are hereby notifying interested underwriters of the above.

cc: Emil Patrick - The Port Authority of NY & NJ  
Darrell Buchbinder fax - (973) 624-3801  
Martha Feltenstein fax - (917) 777-2272  
Sandy Victor - Willis NY  
Tom Coughlin - Willis NY  
Tom Cesare - Stewart Smith East - NY

*Steve*  
Steve Pulitto  
Tel: 212-837-0862  
Fax: 212-804-0580

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PROTECTIVE ORDER IN RE  
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21 MC 97(AKH) (S.D.N.Y.)  
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THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

## SCHEDULE OF INSURANCE

Primary - 10 million

Mr. Raymond Mattia AIG Technical Service 400 Interpace Parkway - Bldg. "A" Parsippany, NJ 07054	100%
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Second Layer - 40 million x/s 10 million

Mr. Hikaro Ono Nichido Fire & Marine 70 Pine Street New York, NY 10270	28.75%
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Ms. Donna Blondich Caliber One Indemnity 1040 Stonyhill Road Yardley, PA 19067	12.5%
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Mr. Mark Schwartz Royal Specialty Underwriters Inc. 945 East Paces Ferry Road Resurgens Plaza - Suite 1890 Atlanta, GA 30326-1125	6.25%
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Mr. Frank Lattal ACE Bermuda Insurance Ltd ACE Global Headquarters 17 Woodbourne Avenue Hamilton, Bermuda	5.0%
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Mr. Steve Kovach Allianz Insurance Company 3400 Riverside Drive - Suite 300 Burbank, CA 91510-4669	6.25%
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21 MC 97(AKH) (S.D.N.Y.)  
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Essex Insurance Company  
c/o Markel Insurance Company  
4521 Highwoods Parkway  
Glen Allen, VA 23060

Mr. Andrew Jackson  
Willis Limited  
Ten Trinity Square  
London EC3P 3AX  
England

27.0%

Third Layer - 50 million x/4 50 million

Mr. Hikaro Ono  
Nichido Fire & Marine  
70 Pine Street  
New York, NY 10270

Mr. Edward Frank  
Crum & Forster Insurance  
P.O. Box 576  
Skaneateles, NY 13152

Mr. Andrew Jackson  
Willis Limited  
Ten Trinity Square  
London EC3P 3AX  
England

Fourth Layer - 100 million x/4 100 million

Mr. Steve Kovach  
Allianz Insurance Company  
3400 Riverside Drive - Suite 300  
Burbank, CA 91510-4669

18.85%

Ms. Barbara Groves  
T.I.G.  
44 Village Court  
Hazlet, NJ 07730

9.0%

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PROTECTIVE ORDER IN RE  
SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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Mr. Andrew Jackson Willis Limited Ten Trinity Square London EC3P 3AX England	72.15%
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Fifth Layer - 600 million x/s 400 million

Mr. Steve Kovach Allianz Insurance Company 3400 Riverside Drive - Suite 300 Burbank, CA 91510-4669	22.85%
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Mr. Tom Florkowski CHUBB Group 55 Water Street New York, NY 1004	5.0%
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Mr. Andrew Jackson Willis Limited Ten Trinity Square London EC3P 3AX England	72.15%
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Sixth Layer - 500 million x/s 1 BN

Mr. Steve Kovach Allianz Insurance Company 3400 Riverside Drive - Suite 300 Burbank, CA 91510-4669	14.0%
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Mr. Dennis Smith Zurich Insurance Company Faxed - 212-546-8856	3.85%
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Mr. Andrew Jackson Willis Limited Ten Trinity Square London EC3P 3AX England	72.15%
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PROTECTIVE ORDER IN RE  
SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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## **Schedule B**

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SEPTEMBER 11 LITIGATION  
21 MC 97(AKH) (S.D.N.Y.)  
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**PORT AUTHORITY**  
**Preliminary Proof of Losses**  
**in U.S. Dollars (000s)**

DESCRIPTION	Ref.#	AMOUNTS CLAIMED (Subject to Revision)
<b>PROPERTY</b>		
• WTC 6 - U.S. Customs	1	\$399,579
• PATH		
•• Downtown Restoration Program	2	330,598
• Temporary WTC Station	3	75,138
•• Demolition of temporary station	4	103,886
• Rehab tunnels E & F	5	84,884
• Exchange Place	6	381,868
• Permanent Path Terminal	7	2,472
• Hoboken Ferry Terminal	8	10,500
• Rail Cars	9	5,267
• Pier A	10	54,769
• Con Ed Substation	11	881
• Hudson River Pump Station	12	6,918
• MacMillan Bloedel property acquisition		TBD
• 130 Liberty Street		TBD
• 140 Liberty Street		TBD
• 155 Cedar Street		TBD
• 7 WTC - condemnation of certain property		TBD
<b>SITE WORK</b>		
• Debris removal	14	TBD
• WTC Site Planning - DRP (to 12/31/05)	15	34,777
• WTC Site Work - DRP (to 12/31/05)	15	80,219
• WTC Site Work - other (to 12/31/05)	15	7,630
• Site Maintenance (7/02 to 12/31/05)	16	37,378
• Decontamination and Storage Program	17	15,000
<b>FIXED ASSETS</b>		
• Contents and Furnishings	18	119,748
• Improvements and Betterments	19	155,758
• Port Authority Vehicles (WTC) - destroyed	20	2,915
<b>ARTWORK</b>		
• PA leasehold artwork	21	449
• Photo Archives	22	32,467
• Video Archive	23	91,188
<b>VALUABLE PAPER/SYSTEMS RECOVERIES</b>		
• Restoration/recreation costs ( 9/11/01-9/30/05)	24	2,161
• Engineering Drawings	25	99,248
<b>BUSINESS INTERRUPTION</b>		
• PATH (9/11/01 - 12/31/03)	26	93,823
• PATH (01/01/04 - 11/30/04)	26	28,578
• WTC (09/11/01 - 09/30/09)	26	63,529
• TBT (09/11/01 - 12/31/01)	26	17,040
• AVIATION (09/11/01 - 12/31/01)	26	30,813
• Economic Development (09/11/01 - 12/31/01)	26	877
• Port Commerce (09/11/01 - 12/31/01)	26	459
• Allocated Expenses (09/11/01 - 12/31/01)	26	(1,175)
• Contingent loss of Net Lessees rent	27	TBD
• Increased Labor and Security Costs ( 9/11/01 - 07/06/02 )	28	58,400
• Projected Cost of PA Office Space - Rent (9/11/01 - 09/30/09)	29	165,200

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 SEPTEMBER 11 LITIGATION  
 21 MC 97(AKH) (S.D.N.Y.)

**PORT AUTHORITY**  
**Preliminary Proof of Losses**  
**in (USDs)**

DESCRIPTION	Ref.#	AMOUNTS CLAIMED (Subject to Revision)
<b>EMERGENCY EXPENSE</b>		
• Technology - emergency expense only	EXB.1	14,333
• Public Safety	EXB.1	833
• Job shoppers (8/11/01 - 09/30/05)	A16	1,476
• Materials, Services, and Equipment	EXB.1	12,702
• Stockroom withdrawals for WTC emergency use	A17	2,281
• Meals, Lodging and Travel	EXB.1	2,610
• Pumping/plugging of PATH tunnels E & F	A18	1,992
• Vehicle rental/purchase/usage	EXB.1	1,757
<b>RELOCATION COSTS/EXPENSES</b>		
• Architects and Engineers	A19	2,015
• Fit-out costs of temp. PA office space	A20	52,407
• Temporary F&F - purchase/rental	A21	2,467
• Relocation expenses	A22	4,190
• Increased shuttle expense	A23	319
<b>EXTRA EXPENSE</b>		
• New York and New Jersey Regional Promotion	A2	20,000
• Consultants/legal (8/11/01 - 09/30/05)	A25	15,409
• Other	EXB.1	1,981
<b>NET LESSEE SHORTFALL</b>		
• 1 WTC		TBD
• 2 WTC		TBD
• 4 WTC		TBD
• 5 WTC		TBD
• Mail at WTC		TBD
• 7 WTC		TBD
Estimated total to date		\$2,739,692

**NOTES**

"TBD" - To Be Determined

See Exhibit 1 for further breakdown of certain categories - as referenced above

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 21 MC 97(AKH) (S.D.N.Y.)  
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